



Plan for a Process and Standards of Review for Award of the Local Government Preference Under RFA2017-113

Background

The federal government incentivizes the private development of affordable multifamily housing through the Low Income Housing Tax Credit program (the “LIHTC” program).¹ In exchange for developing affordable rental housing, private developers are awarded dollar-for-dollar credits against federal income tax liability. These tax credits are transferable and are used by developers to help secure financing for the affordable housing project.

While tax credits come from the federal government, they are allocated to eligible projects in each state by a state-appointed housing agency. In Florida, the “Florida Housing Finance Corporation is designated the housing credit agency for the state within the meaning of [the LIHTC program]... (the “FHFC”).² In accordance with the Internal Revenue Code and Florida Statutes, the FHFC allocates housing tax credits pursuant to a “Qualified Action Plan.”

Under the 2016 Qualified Action Plan (the “2016 QAP”), the FHFC allocated certain “Competitive Housing Credits” through “competitive solicitation processes pursuant to Rule Chapter 67-60, Florida Administrative Code.” In accordance with this competitive solicitation rule, the FHFC issued Request for Applications 2016-113 (“RFA 2016-113”) on October 28, 2016. RFA 2016-113 allocated housing tax credits for eligible affordable housing rental housing developments in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas counties.

The competitive evaluation process established by RFA2016-113 was undertaken by a scoring committee comprised of FHFC employees (the “FHFC Scoring Committee”).³ Under RFA 2016-113, members of the FHFC Scoring Committee each independently evaluated and scored assigned portions of the submitted applications. To remain in contention, an application had to include 34 “mandatory items,” including identification of the proposed development site, the number of proposed rental units, and a variety of forms completed by the applicable local government and utility providers.

If all of the mandatory items were included in the application, the FHFC Scoring Committee then awarded points to each application based on several “Point Items.” A maximum of 33 points were available, with up to 5 points available for “general development experience” of the applicant, and up to 18 points available for a project’s “proximity to transit and community services.” Finally, applicants could receive points for each one of two different types of “local government support.”

The first type of local government support is referred to as a “Local Government Contribution” (“Local Government Contribution”). Applicants demonstrating the Local Government Contribution were awarded a maximum of 5 points. To achieve the maximum 5 points, the applicant had to secure a financial contribution to the project from the applicable local government in the amount of at least \$75,000. The Local Government Contribution could come in the form of monetary grants, loans, or fee deferrals or waivers for things like impact fees or permitting fees.

¹ See § 42 of the Internal Revenue Code; 26 U.S.C. § 42.

² §420.5099(1), Fla. Stat. (2016).

³ See Rule 67-60.007, F.A.C.



The second type of local government support is referred to as the “Local Government Areas of Opportunity Funding Points” (“Local Government Preference”). Applicants demonstrating the Local Government Preference were awarded a maximum of 10 points. To achieve the maximum 10 points, the applicant must have secured a financial contribution to the project from the applicable local government in an amount of at least \$385,250 to \$739,500, depending on the type of building construction. The Local Government Preference must have come in the form of monetary grants or loans.

The purpose of this Proposed Plan is to establish a process and standards of review for the possible award of the Local Government Preference by the City of Orlando under the FHFC’s RFA2017-113.

Proposed Process

This proposed process applies only to the City’s decision to award the Local Government Preference under the FHFC’s RFA2017-113. It does not apply to the City’s decision on whether, or to whom, to award a Local Government Contribution.

RFA2017-113 was released by the FHFC on October 6, 2017, and responses are currently due by December 13, 2017 (this date is subject to change). For applicants to respond by the current deadline, the City will make a decision on whether to award a Local Government Preference by no later than November 13, 2017. Because the Local Government Preference requires a substantial financial contribution from the City treasury, the final decision on whether, and to whom, to award a Local Government Preference rests solely with the Orlando City Council.

The Orlando City Council will make a decision on whether, and to whom, to award a Local Government Preference under RFA2017-113 upon advice and recommendation from a “Staff Ranking Committee” (the “SRC”). The SRC shall be convened and organized by the City’s Director of Housing. The committee shall include the Housing Director, as chair, along with the City’s directors of Economic Development and Transportation, along with the Planning Official, and the Chief Administrative Officer (or designee) and Chief Financial Officer (or designee). The SRC is a “staff advisory committee” for purposes of City Policy and Procedure 161.4.

The SRC shall meet at least once before making a recommendation to the Orlando City Council. The SRC shall make their recommendation by majority vote and shall rank at least the top three proposals, but shall not attribute a numerical score to each ranked applicant.

Before convening the SRC, the Housing Director shall provide reasonable public notice of this plan to prospective applicants. The Housing Director shall also provide a deadline for the submission of written proposals for the award of the City’s Local Government Preference and shall also provide minimum submittal requirements for the written proposals, which submittals may include proposed site plans, project budgets, location, building types, and the number of proposed residential units.

Proposed Standards of Review

In reviewing and ranking applicants for the Local Government Preference, the SRC and the Orlando City Council shall consider the following standards of review:



1. Whether the proposal is consistent with the applicable goals, objectives, and policies of the City of Orlando Growth Management Plan.
2. The likelihood that the proposal will be competitive under the scoring mechanism of RFA2017-113.
3. The proposal's proximity to public transit, major employment centers, and neighborhoods with a demonstrated demand for affordable housing.
4. Whether the City of Orlando, the City of Orlando Community Redevelopment Agency, a dependent or independent special district of the City of Orlando, a non-profit organization, or other government has already committed to or proposed to commit to financial or in-kind support for the proposal.